



# THE BANK OF CALIFORNIA

Portland Office: 407 S. W. Broadway · Portland, Oregon · Mailing Address: P.O. Box 3121, 97208 · (503) 225-3636

January 15, 1980


Mildred Lee  
Interstate Commerce Commission  
Washington, D. C. 20423

Dear Ms. Lee:

Per your phone request with Mrs. Cameron we are enclosing a copy of the original Railroad Equipment Security Agreements dated Nov. 30, 1979 and Dec. 24, 1979. These copies have been notarized and verified to be a true and correct copy of original.

If you have any further questions, please do not hesitate to phone us.

Very truly yours,

  
K. Howton  
Instalment Loan Dept.

KH/kh

enc.

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Interstate Commerce Commission  
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# SECURITY AGREEMENT - PERSONAL PROPERTY

1. I (borrower), Jon Mellen hereby grant The Bank of California, National Association (Bank), a security interest in the following described property (collateral):

RECORDATION NO. 11388 Filed 1425

"One (1) ton, 50 foot, 6 inch, XF type Boxcar having serial number

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S/N NYSW 2086

~~INTERSTATE COMMERCE COMMISSION~~

together with cash and non-cash proceeds of the collateral, all additions, accessions, added, replaced and/or substituted parts of collateral, tools, spare parts, accessories, supplies and improvements thereto now owned and hereafter acquired, and all proceeds of insurance policies and other property described in or to which borrower is or becomes entitled to receive on account of collateral.

2. I further agree that the above described personal property shall be and is security for (1) payment of any loan made at the same time as this Agreement; (2) payment of all of my existing and future debts to the Bank; (3) payment of all of my notes evidencing debts; and, (4) performance of all of my obligations under this Agreement and any other loan agreements between me and the Bank.

dispose of this personal property without first having obtained the written consent of Bank.

E. Inspection: Bank shall have the right to inspect the personal property at any time, and I agree to make any and all personal property in which Bank has a security interest available to Bank for inspection upon request.

## 4. Events of Default are:

3. I further warrant, covenant, and agree with the Bank that:

A. Borrower's failure to pay or perform this or any agreement with Bank or breach of any warranty herein.

A. Warranties: I am the owner of the personal property free and clear of any lien, encumbrance or security interest except as stated on my loan application, and (2) I will defend the personal property against any claim or demand adverse to the security interest of the Bank.

B. Any change in borrower's financial condition which in Bank's judgement impairs the prospect of borrower's payment or performance.

B. Payment: I will pay when due all debts secured by this Agreement, together with interest, and all rent, taxes, levies, assessments or other claims which are or may become liens against the above described personal property.

C. Any actual or reasonably anticipated deterioration of the collateral or in the market price thereof which causes it in Bank's judgement to become unsatisfactory as security.

C. Insurance: I will, at all times, keep the above described personal property insured for its full replacement value with a company acceptable to Bank. The policy or policies of insurance shall be delivered to the Bank and shall contain an endorsement that Bank shall be the loss payee. The insurance shall also require a ten day notice of cancellation to Bank prior to any cancellation by the insurance company. Bank shall have no duty to purchase, at borrower's expense or otherwise, insurance to satisfy borrower's obligation to Bank.

D. Any levy or seizure against borrower or any of the collateral.

The failure of borrower to have at all times in the hands of Bank the insurance coverage in force shall constitute a default under this Agreement and shall immediately cause the entire debt secured by the above described personal property to become immediately due and payable without notice unless the Bank, after knowledge of the breach, waives such breach in writing.

E. Any change in possession of security.

F. Any change in title or ownership of security.

G. Death, termination of business, assignment for creditors, insolvency, appointment of receiver, or the filing of any petition under bankruptcy or debtor's relief laws of, by or against borrower or any guarantor of the debt.

D. Care of Property: I will maintain the personal property, the subject of this Agreement, in a good and careful manner, and will properly maintain it to prevent deterioration or loss of value. I further agree not to further encumber, sell, remove, or otherwise

5. Rights on Default: If I default in the performance of this Agreement, the entire debt hereby secured shall become immediately due and payable and Bank may proceed to enforce its security interest by any means provided herein or under the Uniform Commercial Code or otherwise allowed by law. Upon demand by Bank, I agree to assemble the security covered by this Agreement and make it available to Bank at such location as Bank may designate. All reasonable expenses, including legal expenses and attorneys' fees incurred by Bank in the exercise of its right to take possession and dispose of the collateral must be paid in order to redeem the property, the subject of this Security Agreement, or in the event of sale, shall be paid from the proceeds thereof.

6. See reverse side for amendments, supplements, acknowledgements and certification.

All rights hereunder shall inure to the benefit of Bank's successors and assigns, and all obligations of the borrower shall bind the borrower's heirs, executors, administrators, successors and assigns. If there be more than one borrower, their obligation hereunder shall be joint and several.

12-24-79  
Date

Jon Mellen  
Borrower

Address

Date

Borrower

Address

## THIRD PARTY SECURITY AGREEMENT

The undersigned grants to Bank a security interest in all of the collateral described above on the terms above stated to secure payment to Bank of the debt of the above named borrower. The term "borrower" as used above means the undersigned in any provision dealing with the collateral, and means borrower in any provision dealing with the debt.

Date

Borrower

Address

Date

Borrower

Address

7. Supplement to Security Agreement - Personal Property

A. "The Debtor covenants and agrees to cause to be plainly, distinctly, permanently and conspicuously marked upon the side of the collateral the following words in letters not less than 1" in height: BANK OF CALIFORNIA, SECURED PARTY. In case, during the continuance of this Security Agreement, any such marking on the collateral shall at any time be painted over or otherwise be made inconspicuous, removed, defaced or destroyed, the Debtor shall immediately cause the same to be restored or replaced."

B. "The Debtor covenants and agrees that it will cause this Security Agreement and all amendments, supplements and assignments hereto to be duly filed with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, at Debtor's sole cost and expense."

INDIVIDUAL FORM OF ACKNOWLEDGMENT

STATE OF \_\_\_\_\_

County of \_\_\_\_\_, ss:

On this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, before me

personally appeared \_\_\_\_\_, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

(SEAL)

\_\_\_\_\_  
Title of officer

My commission expires \_\_\_\_\_.

STATE OF OREGON, ss:

I, Geertje Howton, a Notary Public in and for the

State of Oregon, hereby certify that I have examined the original Security Agreement dated Dec. 24, 1979, and executed by \_\_\_\_\_

Jon Mellen, and find this copy to be a true copy of the original Security Agreement in all respects.

Dated: Dec. 24, 1979

Geertje Howton  
Notary Public

My Commission Expires: 11-24-81